

County of Los Angeles

CHIEF ADMINISTRATIVE OFFICE

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July 30, 2001

To:

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Supervisor Gloria Molina

Supervisor Yvonne Brathwaite Burke

Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From:

David E. Janssen

Chief Administrative Officer

MOTION TO OPPOSE SB 1029 (PERATA) - WATER TRANSFERS (ITEM NO. 4, AGENDA OF JULY 31, 2001)

Item Number 4 on the July 31, 2001 agenda is a motion by Supervisor Burke to oppose SB 1029 (Perata) and to direct the Department of Public Works to review the measure and make recommendations for amendments.

SB 1029, as amended on May 1, 2001, expands current law requiring owners of water conveyance facilities to allow transferors of water (a transferor is anyone who owns water and needs to transport it through facilities they do not own) to use their facilities for a fair price if there is sufficient capacity. Under SB 1029, State and local agencies must allow the use of their facilities including water treatment and storage facilities by a transferor for a reasonable charge based on service levels. These charges are permissive but are limited to recovering costs incurred in transporting water from point to point. SB 1029 requires a facility owner to approve or deny a request for use of their facility within 30 days and requires the State Water Resources Control Board to act as the appellate body for review of any contested charges.

SB 1029 also requires facility owners to make numerous calculations regarding excess capacity and fair compensation when a request to use their facility has been made. The Department of Public Works (DPW) opposes SB 1029 because it does not provide a mechanism to recover costs DPW will incur when calculating fair compensation and establishing rules and operating procedures. This is problematic for water service providers such as the County's Water Works Districts which provide services to their customers at cost, leaving no other source of revenue to fund this activity. We agree with



Each Supervisor July 30, 2001 Page 2

DPW's recommendation to oppose SB 1029 because the County is not able to set rates or charges to recover these costs.

Because there is no existing Board Policy on providing access to the County's water conveyance facilities, opposition to SB 1029 is a matter for Board policy determination.

SB 1029 is sponsored by the Western Water Company and supported by the San Diego County Water Authority and Contra Costa Water District. It is opposed by the AFL-CIO, American Association of State, County and Municipal Employees, Association of California Water Agencies, California Municipal Utilities Association, Calleguas Municipal Water District, Metropolitan Water District, and others.

The measure is currently held under submission in the Senate Appropriations Committee and is a two-year bill.

DEJ:GK JL:md

Attachments

c: Executive Officer, Board of Supervisors County Counsel